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SECOND SUBSTITUTE SENATE BILL 6718

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State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Finkbeiner, Regala, Keiser, Jacobsen, Poulsen and Franklin)

READ FIRST TIME 02/12/2002.

1 AN ACT Relating to state government as a leader in clean energy  
2 consumption; amending RCW 43.21F.015 and 43.21F.045; adding new  
3 sections to chapter 43.21F RCW; adding a new section to chapter 43.19  
4 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) Energy production and consumption account for the vast majority  
8 of human-caused greenhouse gas emissions;

9 (b) As a significant consumer of energy resources and a committed  
10 steward of public health and environmental quality, Washington state  
11 government is well-positioned to be a leader in promoting and using  
12 clean energy;

13 (c) State government actions to promote and use clean energy are  
14 consistent with the state's environmental commitments, including  
15 addressing the increasingly imminent dangers to Washington's qualities  
16 of life that are threatened by global climate changes and improving  
17 local and regional air quality;

18 (d) State government actions to promote and use clean energy are  
19 also consistent with the state's high priority policy objectives to

1 maintain competitive energy costs and a reliable and secure supply of  
2 energy resources; and

3 (e) State government actions to promote and use clean energy are  
4 also consistent with the state's goals to support economic development  
5 opportunities, by reducing traffic congestion and stimulating new and  
6 emerging energy technologies within the clean energy industry of the  
7 state's high-technology sector.

8 (2) The legislature intends state government to adopt a strategy to  
9 meet its energy needs with no net increase in greenhouse gas emissions.  
10 The legislature further intends the state to take immediate, short-term  
11 steps to limit the emissions attributable to its electricity  
12 consumption while developing a long-term, cost-effective strategy to  
13 reach the goal of no net increase in greenhouse gas emissions.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21F RCW  
15 to read as follows:

16 The definitions in this section apply throughout RCW 43.21F.015,  
17 43.21F.045, and sections 5 and 6 of this act, unless the context  
18 clearly requires otherwise.

19 (1) "Energy conservation measures" has the same meaning as defined  
20 in RCW 43.19.670(3) (a) through (j) and (l).

21 (2) "Greenhouse gases" includes carbon dioxide (CO<sub>2</sub>), methane and  
22 natural gas (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O).

23 (3) "Net increase in greenhouse gas emissions" means a quantity of  
24 emissions in excess of the level of emissions attributable to the  
25 annual consumption of energy by state government in the year 2000.

26 (4) "Qualified alternative energy resources" has the same meaning  
27 as defined in RCW 19.29A.090.

28 (5) "State" and "state government" mean the executive branch  
29 agencies of the state of Washington that are managed by governor-  
30 appointed executives and state institutions of higher education.

31 **Sec. 3.** RCW 43.21F.015 and 1994 c 207 s 3 are each amended to read  
32 as follows:

33 It is the policy of the state of Washington that:

34 (1) The development and use of a diverse array of energy resources  
35 with emphasis on renewable energy resources shall be encouraged;

36 (2) The supply of energy shall be sufficient to insure the health  
37 and economic welfare of its citizens;

1 (3) The development and use of energy resources shall be consistent  
2 with the statutory environmental policies of the state;

3 (4) Energy conservation and elimination of wasteful and uneconomic  
4 uses of energy and materials shall be encouraged, and this conservation  
5 should include, but is not limited to, resource recovery and materials  
6 recycling;

7 (5) In energy emergency shortage situations, energy requirements to  
8 maintain the public health, safety, and welfare shall be given priority  
9 in the allocation of energy resources, and citizens and industry shall  
10 be assisted in adjusting to the limited availability of energy in order  
11 to minimize adverse impacts on their physical, social, and economic  
12 well being;

13 (6) State government adopt a policy to meet its energy needs with  
14 no net increase in greenhouse gas emissions;

15 (7) State government shall provide a source of impartial and  
16 objective information in order that this energy policy may be enhanced;  
17 and

18 ((+7)) (8) The state energy strategy shall provide primary  
19 guidance for implementation of the state's energy policy.

20 **Sec. 4.** RCW 43.21F.045 and 1996 c 186 s 103 are each amended to  
21 read as follows:

22 (1) The department shall supervise and administer energy-related  
23 activities as specified in RCW 43.330.904 and shall advise the governor  
24 and the legislature with respect to energy matters affecting the state.

25 (2) In addition to other powers and duties granted to the  
26 department, the department shall have the following powers and duties:

27 (a) Prepare and update contingency plans for implementation in the  
28 event of energy shortages or emergencies. The plans shall conform to  
29 chapter 43.21G RCW and shall include procedures for determining when  
30 these shortages or emergencies exist, the state officers and agencies  
31 to participate in the determination, and actions to be taken by various  
32 agencies and officers of state government in order to reduce hardship  
33 and maintain the general welfare during these emergencies. The  
34 department shall coordinate the activities undertaken pursuant to this  
35 subsection with other persons. The components of plans that require  
36 legislation for their implementation shall be presented to the  
37 legislature in the form of proposed legislation at the earliest  
38 practicable date. The department shall report to the governor and the

1 legislature on probable, imminent, and existing energy shortages, and  
2 shall administer energy allocation and curtailment programs in  
3 accordance with chapter 43.21G RCW.

4 (b) Establish and maintain a central repository in state government  
5 for collection of existing data on energy resources, including:

6 (i) Supply, demand, costs, utilization technology, projections, and  
7 forecasts;

8 (ii) Comparative costs of alternative energy sources, uses, and  
9 applications; and

10 (iii) Inventory data on energy research projects in the state  
11 conducted under public and/or private auspices, and the results  
12 thereof.

13 (c) Coordinate federal energy programs appropriate for state-level  
14 implementation, carry out such energy programs as are assigned to it by  
15 the governor or the legislature, and monitor federally funded local  
16 energy programs as required by federal or state regulations.

17 (d) Develop energy policy recommendations for consideration by the  
18 governor and the legislature, including but not limited to strategies  
19 and options to allow state government to meet its energy needs with no  
20 net increase in greenhouse gas emissions.

21 (e) Provide assistance, space, and other support as may be  
22 necessary for the activities of the state's two representatives to the  
23 Pacific northwest electric power and conservation planning council. To  
24 the extent consistent with federal law, the director shall request that  
25 Washington's council members request the administrator of the  
26 Bonneville power administration to reimburse the state for the expenses  
27 associated with the support as provided in the Pacific Northwest  
28 Electric Power Planning and Conservation Act (P.L. 96-501).

29 (f) Cooperate with state agencies, other governmental units, and  
30 private interests in the prioritization and implementation of the state  
31 energy strategy elements and on other energy matters.

32 (g) Serve as the official state agency responsible for coordinating  
33 implementation of the state energy strategy.

34 (h) No later than December 1, 1982, and by December 1st of each  
35 even-numbered year thereafter, prepare and transmit to the governor and  
36 the appropriate committees of the legislature a report on the  
37 implementation of the state energy strategy and other important energy  
38 issues, as appropriate.

1 (i) Provide support for increasing cost-effective energy  
2 conservation, including assisting in the removal of impediments to  
3 timely implementation.

4 (j) Provide support for the development of cost-effective energy  
5 resources including assisting in the removal of impediments to timely  
6 construction.

7 (k) Adopt rules, under chapter 34.05 RCW, necessary to carry out  
8 the powers and duties enumerated in this chapter.

9 (l) Provide administrative assistance, space, and other support as  
10 may be necessary for the activities of the energy facility site  
11 evaluation council, as provided for in RCW 80.50.030.

12 (m) Appoint staff as may be needed to administer energy policy  
13 functions and manage energy facility site evaluation council  
14 activities. These employees are exempt from the provisions of chapter  
15 41.06 RCW.

16 (3) To the extent the powers and duties set out under this section  
17 relate to energy education, applied research, and technology transfer  
18 programs they are transferred to Washington State University.

19 (4) To the extent the powers and duties set out under this section  
20 relate to energy efficiency in public buildings they are transferred to  
21 the department of general administration.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.19 RCW  
23 to read as follows:

24 (1) The department of general administration shall make all  
25 reasonable efforts to ensure that a portion of state government's  
26 electricity consumption be from qualified alternative energy resources,  
27 and energy conservation and efficiency measures implemented on or after  
28 January 1, 2002, or a combination thereof, according to the following  
29 schedule:

30 (a) At least two percent by July 1, 2003;

31 (b) At least four percent by July 1, 2005;

32 (c) At least six percent by July 1, 2007;

33 (d) At least eight percent by July 1, 2009; and

34 (e) At least ten percent by July 1, 2011, and every year  
35 thereafter. Reasonable efforts include reviewing energy audits  
36 performed pursuant to chapter 43.19 RCW and providing technical  
37 expertise and administrative assistance within available resources.  
38 For the purposes of this subsection, acquisition or use of qualified

1 alternative energy resources is not limited to those resources offered  
2 by electric utilities under the provisions of RCW 19.29A.090 but shall  
3 be subject to the approval of the office of financial management where  
4 the cost of such acquisitions would exceed the cost of existing  
5 electrical service by more than five percent.

6 (2) The department of general administration must pursue, in  
7 collaboration with the department of ecology, existing opportunities to  
8 sell, trade, or receive other fair value for any emissions reductions  
9 credits attributable to state government's shift to consumption of  
10 electricity from qualified energy resources. Nothing in this section  
11 shall be construed to require the department of general administration  
12 to create a state emissions allowance set-aside program.

13 (3) The costs incurred by the department of general administration  
14 under this section shall be paid from the general administration  
15 service account and shall be subject to appropriation. Charges to  
16 state agencies shall be calculated pursuant to RCW 43.19.500.

17 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.21F RCW  
18 to read as follows:

19 In preparing the biennial energy report required under RCW  
20 43.21F.045(2)(h) to be transmitted to the governor and the legislature  
21 by December 1, 2002, the department must include the following  
22 information:

23 (1) A measurement of the current and likely future greenhouse gas  
24 emissions resulting from state government's current and projected  
25 energy consumption;

26 (2) Identification of specific strategies and options to reduce or  
27 offset the emissions by sufficient quantity and quality in order to  
28 compensate for the greenhouse gas emissions attributable to the state  
29 government's energy consumption. Strategies and options may include,  
30 but need not necessarily be limited to, the following:

31 (a) Reducing the state's consumption of electricity through  
32 aggressive pursuit of cost-effective energy conservation and efficiency  
33 opportunities;

34 (b) Increasing the proportion of electricity the state generates  
35 for its own use or purchases through an electric utility from qualified  
36 alternative energy resources;

37 (c) Addressing transportation-related energy challenges such as  
38 improving the fuel efficiency of the state's vehicle fleet, using

1 alternative fuels in the state's vehicle fleet, changing the ways state  
2 employees and contractors travel, and developing transportation  
3 substitutes for state employees and contractors; and

4 (d) Options for mitigation or offsets that directly avoid,  
5 displace, or permanently sequester greenhouse gas emissions as close in  
6 time as possible to the occurrence of the actual emissions;

7 (3) An analysis of the feasibility of extending the no net increase  
8 in greenhouse gas emissions standard to state agencies other than those  
9 defined in section 2(5) of this act, including but not limited to  
10 public educational institutions; and

11 (4) A status report on the planning and progress related to  
12 implementing section 5 of this act.

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